

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-118-C - ORDER NO. 1999-851 ✓
DECEMBER 6, 1999

IN RE: Application of Glyphics Communications,)	ORDER
Inc. for a Certificate of Public Convenience)	GRANTING
and Necessity to Provide Intrastate Resold)	CERTIFICATE
Interexchange Telecommunications Services)	
within the State of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Glyphics Communications, Inc. (“Glyphics” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold telecommunications services between and among locations within the State of South Carolina as a non facilities-based interexchange telecommunications service provider. The Company’s Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1998) and the Regulations of the Public Service Commission of South Carolina.

The Commission’s Executive Director instructed Glyphics to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Glyphics’ Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on November 3, 1999, at 11:00 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Philip T. Bradley, Chairman, presided. Bonnie D. Shealy, Esquire, represented the Company. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Gary L. Moulton, Chief Executive Officer of Glyphics, appeared and presented consumer-oriented testimony in support of the Application. Mr. Moulton is the regulatory and financial contact person for Glyphics. The Company was incorporated in Utah in 1995. Upon certification from the Commission, the Company plans to operate as a reseller of interexchange services in South Carolina. More specifically, Glyphics plans to offer direct-dialed 1+ services, toll-free numbers and post-paid travel card services. According to Mr. Moulton, the Company only uses a debit card in the form of a promotional card. This debit card is used by independent representatives of the Company; however, the card is not to be resold. Independent representatives can issue the cards to potential customers so the potential customers can contact the representatives concerning information on Glyphics Communications. Glyphics is currently certified to provide telecommunications services in several states and the Company is also operating in several states. The Company is providing long distance, toll-free, and travel card services in the states where it is operating.

The management team at Glyphics consists of Mr. Kody L. Bateman, President of Glyphics and Mr. Moulton. According to Mr. Moulton, both officers have approximately five years of experience in the telecommunications industry. Additionally, both officers

worked for another reseller until recently. The Company also has an experienced internal management team most of whom have experience in customer service issues. Glyphics relies on outsourcing support in terms of technical support, billing systems, regulatory issues, taxing issues, etc.

Regarding the Company's technical services, Glyphics will use MCI/WorldCom as its underlying carrier. The Company will also operate its own internal billing system. Customers are billed once a month. The Company is currently in the process of developing a system where a customer can review his telephone bill on-line. Security steps are being taken so that a customer's bill will not be available to the public but only to the customer. Mr. Moulton testified further MCI/WorldCom will notify Glyphics of any customer service issues.

According to the record, Glyphics has a strong current ratio; the Company has a sufficient amount of total current assets to pay its current liabilities. Mr. Moulton testified the Company focuses on providing good customer service and billing systems as it continues to build its infrastructure. Glyphics received approximately three thousand and no/100 (\$3,000.00) dollars in revenue from customers in South Carolina during the months of June and July 1999. Mr. Moulton testified the Company is in the process of crediting the revenue received from the South Carolina customers to their accounts.

The Company's customer service department is staffed Monday through Friday from 6:00 a.m. to 10:00 p.m. mountain standard time and the department is operated by Glyphics. According to Mr. Moulton, the customer service department takes care of the customer initially. Furthermore, all customer representatives have immediate authority to

give credits to customer accounts up to five and no/100 (\$5.00) dollars. When a customer requests credit allowances which exceed five and no/100 (\$5.00) dollars, the customer service department researches the account of the customer before crediting a customer's account (i.e. a representative might review the complaint history of the customer in addition to determining whether fraud exists).

Glyphics will use direct sales to market its services. For example, one method the Company uses to market its services is through affinity organizations. Mr. Moulton testified Glyphics has a training staff that will train people on how to use today's technology which informs consumers on issues like slamming. The Company has created videos so that people in Glyphics' customer base understand the telecommunications industry.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Glyphics is organized as a corporation under the laws of the State of Utah and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. Glyphics operates as a non facilities-based reseller of interexchange services and wishes to provide its services in South Carolina.
3. Glyphics has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Glyphics to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Glyphics for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Glyphics shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. Glyphics shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16,

1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 1998).

4. If it has not already done so by the date of issuance of this Order, Glyphics shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Glyphics is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Glyphics shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Glyphics changes underlying carriers, it shall notify the Commission in writing.

8. Glyphics shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Glyphics shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.


10. With regard to the origination and termination of toll calls within the same LATA, Glyphics shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), and 47 CFR 51.209.

11. Glyphics' motion to waive refunds of revenue collected from South Carolina customers prior to certification is granted.

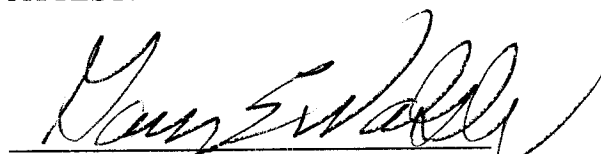
12. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S**

COMPANY NAME

FEI NO.
ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- * THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.
- * THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE

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ATTACHMENT B

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-896-5230